

DECISION



11,140 Trans
THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-195193

DATE: August 14, 1979

MATTER OF: Beckman Instruments, Inc.

CNG00424

DIGEST:

[Protest that patent and license infringement would result from performance under contract award] to another firm is not for consideration, since remedy is action in Court of Claims against Government for money damages under 28 U.S.C. 1498 (1976). → DLG02552

[Beckman Instruments, Inc. (Beckman), protests the award to Bachem, Inc. (Bachem), under solicitation No. 79-Q-0918 issued by the Public Health Service, Department of Health, Education, and Welfare. The basis for the protest is that Beckman currently holds the exclusive license under a patent to manufacture the substance to be delivered under the contract. Therefore, Beckman argues that the production and furnishing of the substance by Bachem may result in an infringement of the patent. For the reason stated below, the protest is dismissed. AG C00160

28 U.S.C. § 1498 (1976) provides:

"(a) Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture
* * *

"For the purposes of this section, the use or manufacture of an invention described in and covered by a patent

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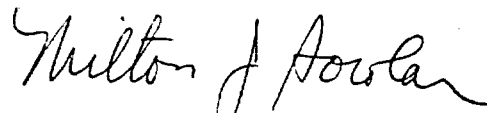
of the United States by a contractor, a subcontractor, or any person, firm, or corporation for the Government and with the authorization or consent of the Government, shall be construed as use or manufacture for the United States."

The Act thus vests exclusive jurisdiction in the Court of Claims over patent infringement claims against the Government upon either one of two grounds: (1) unlicensed use or manufacture of a patented invention by the Government directly; and/or (2) unlicensed use or manufacture of a patented invention for the Government and with its authorization and consent. Hughes Aircraft Co. v. United States, 534 F.2d 889 (Ct. Cl. 1976). The courts have recognized section 1498 as constituting, in effect, an eminent domain statute, which vests in the Government the right to use any patent granted by it upon payment of reasonable compensation to the patent holder. Richmond Screw Anchor Co. v. United States, 275 U.S. 331 (1928); Stelma Incorporated v. Bridge Electronics Co., 300 F.2d 761 (3rd Cir. 1962); Pressure Sensors, Inc., B-184269, July 31, 1975, 75-2 CPD 73.

Considering the Act and its purposes, our Office has concluded that Government contracts should not be restricted to patent holders and their licensees. Instead, all potential sources should be permitted to compete regardless of possible patent infringement. 46 Comp. Gen. 205 (1966). Therefore, the patent holder or licensee's sole remedy for any potential infringement of its rights in this respect is by suit in the United States Court of Claims against the Government for money damages. Controlled Environment Systems, Inc., B-191851, August 15, 1978, 78-2 CPD 119.

Accordingly, a protest that patent or license infringement may result from performance under a contract awarded to another firm is not for consideration by our Office. See Miltope Corporation, B-191322, July 7, 1978, 78-2 CPD 20.

The protest is summarily dismissed.

A handwritten signature in cursive script, reading "Milton J. Socolar". The signature is written in dark ink and is positioned above the printed name and title.

Milton J. Socolar
General Counsel